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DEPARTMENT OF COMMERCE

International Trade Administration

A-517-804

Certain Oil Country Tubular Goods From Saudi Arabia: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) determines that imports of oil country tubular goods (OCTG) from Saudi Arabia are being, or likely to be, sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final weighted-average dumping margins are listed below in the section entitled “Final Determination Margins.”

DATES: EFFECTIVE DATE: [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Jason Rhoads, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0123.

SUPPLEMENTARY INFORMATION:

Background

On February 25, 2014, the Department published the *Preliminary Determination* in the *Federal Register*.<sup>1</sup> In the *Preliminary Determination*, we postponed the final determination until no later than 135 days after the publication of the *Preliminary Determination* in accordance with

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<sup>1</sup> See *Certain Oil Country Tubular Goods From Saudi Arabia: Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination*, 79 FR 10489 (February 25, 2014) (*Preliminary Determination*).

section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii) and invited parties to comment on our *Preliminary Determination*. We received case and rebuttal briefs from the petitioners<sup>2</sup> and the respondent. On June 12, 2014, we conducted a hearing in this investigation.

#### Period of Investigation

The period of investigation is July 1, 2012, through June 30, 2013.

#### Scope of the Investigation

The merchandise covered by this investigation is certain oil country tubular goods (OCTG), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock. For a complete description of the scope of the investigation, *see* Appendix I to this notice.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum<sup>3</sup> which is hereby adopted by this notice. A list of the issues raised is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA

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<sup>2</sup> Boomerang Tube, Energex Tube, a division of JMC Steel Group, Northwest Pipe Company, Tejas Tubular Products, TMK IPSCO, and Welded Tube USA Inc. (collectively, the petitioners).

<sup>3</sup> See Memorandum to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less than Fair Value Investigation of Certain Oil Country Tubular Goods from Saudi Arabia" (Issues and Decision Memorandum), which is dated concurrently with and hereby adopted by this notice.

ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and it is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

#### Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations. For a discussion of these changes, *see* the “Margin Calculations” section of the Issues and Decision Memorandum.

#### Verification

As provided in section 782(i) of the Act, in March and April, 2014, we verified the sales and cost information submitted by JESCO for use in our final determination. We used standard verification procedures including an examination of relevant accounting and production records, and original source documents provided by JESCO.<sup>4</sup>

#### Final Determination Margins

The weighted-average dumping margins are as follows:

Exporter or Producer	Weighted-Average Dumping Margin
Jubail Energy Services Company	2.69%
All Others	2.69%

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the weighted-average dumping margins calculated for the

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<sup>4</sup> See the memoranda, “Verification of the Sales Response of Duferco Steel Inc. in the Antidumping Duty Investigation of Oil Country Tubular Goods (OCTG) from the Kingdom of Saudi Arabia,” May 16, 2014; “Verification of the Sales Response of Jubail Energy Services Company (JESCO) in the Antidumping Duty Investigation of Oil Country Tubular Goods (OCTG) from the Kingdom of Saudi Arabia,” May 16, 2014; and “Verification of the Cost Response of Jubail Energy Services Company (JESCO) in the Antidumping Duty Investigation of Oil Country Tubular Goods from Saudi Arabia,” May 6, 2014.

producers or exporters individually examined, excluding rates that are zero, *de minimis* or determined entirely under section 776 of the Act. Because we calculated a weighted-average dumping margin for only one of the mandatory respondents (JESCO) that was not zero, *de minimis* or determined entirely under section 776 of the Act, we assigned to all other producers and exporters the rate calculated for JESCO.

#### Disclosure

We intend to disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

#### Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation on all entries of OCTG from Saudi Arabia. We will also instruct CBP to require cash deposits equal to the amounts as indicated above. These instructions suspending liquidation will remain in effect until further notice.

#### International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of our final determination. As our final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine within 45 days whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation. We are making available to the

ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

#### Return or Destruction of Proprietary Information

This notice will serve as the only reminder to parties subject to APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction or APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this determination and notice in accordance with sections 735(d) and 777(i) of the Act.

Dated: July 10, 2014.

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Ronald K. Lorentzen,  
Acting Assistant Secretary,  
for Enforcement and Compliance.

## **Appendix I**

### **Scope of the Investigation**

The merchandise covered by the investigation is certain oil country tubular goods (OCTG), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications,

whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock.

Excluded from the scope of the investigation are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors.

The merchandise subject to the investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The merchandise subject to the investigation may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Issues and Decision Memorandum**

1. Summary
2. Background
3. Scope of the Investigation
4. Margin Calculations
5. Discussion of the Issues
  - a. JESCO's Affiliations in Saudi Arabia
  - b. The Department's use of Third Country Sales Data for Calculation of Normal Value
  - c. The Department's use of Differential Pricing (DP) in this Investigation
  - d. The Department's Calculation of Constructed Value (CV) Profit
  - e. The Department's Application of a Scrap Offset to JESCO's Sales Data
6. Recommendation

[FR Doc. 2014-16867 Filed 07/17/2014 at 8:45 am; Publication Date: 07/18/2014]